

## Message Text

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INFO AMCONSUL LENINGRAD

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E.O. 11652: N/A

TAGS: BGEN, UR

SUBJECT: CRAWFORD CASE

1. THE FOLLOWING QUOTED EDITORIAL ON JAY CRAWFORD WAS  
CARRIED IN THE "WALL STREET JOURNAL" OF AUGUST 2:

2. "BUSINESS RISK?

3. "EMERGING FROM A SOVIET INTERROGATION SESSION ON MONDAY,  
F. JAY CRAWFORD, MOSCOW SERVICE MANAGER FOR THE INTERNATIONAL  
HARVESTER COMPANY, TOLD REPORTERS HE FELT LIKE 'A PAWN  
IN A POLITICAL CHESS GAME.' THE NEW SOVIET GAME IS  
PLAYING AROUND WITH THE PERSONAL SAFETY OF AMERICAN BUSINESS  
MEN. IT SHOULD MAKE COMPANIES START TO WONDER SERIOUSLY  
WHAT SORT OF RISKS ARE BALANCED BY THE GENERALLY DISAP-  
POINTING RETURNS FOR SOVIET TRADE.

4. "INTERNATIONAL HARVESTER, MR. CRAWFORD'S EMPLOYER, HAS  
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STARTED TO ASK ITSELF THAT QUESTION. IN SPITE OF SOME HESI-  
TATION WHEN MR. CRAWFORD WAS FIRST ARRESTED IN JUNE 12, IT  
HAS SUSPENDED ALL TRADE TALKS WITH THE SOVIETS UNTIL HIS  
CASE IS CLEARED UP. AND IT HAS TRIED TO FORGE A COMMON  
FRONT WITH THE 23 OTHER AMERICAN COMPANIES WHICH HAVE MOSCOW  
OFFICES. ON JULY 6, HARVESTER CHAIRMAN BROOKS MCCORMICK  
SENT A CONFIDENTIAL LETTER TO THESE OTHER CHIEF EXECUTIVES,

ASKING THEM TO WRITE LETTERS OF PROTEST TO SOVIET OFFICIALS. THE RESPONSE TO MR. MCCORMICK'S APPEAL, THOUGH, SUGGESTS THAT SOME OF COUNTERPARTS MAY BE IN FOR A ROUGH AWAKENING. AN ASSOCIATED PRESS SURVEY FOUND ONLY SIX ON THESE 23 COMPANIES BACKING UP MR. MCCORMICK'S APPEAL. THOSE WHO AGREED TO WRITE LETTERS WERE COOPER INDUSTRIES, AMERICAN EXPRESS, DU PONT, PANAM, GENERAL ELECTRIC AND HONEYWELL. IN ADDITION, OCCIDENTAL PETROLEUM EARLIER INTERCEDED INDEPENDENTLY. ABOUT A DOZEN OTHERS WERE STILL MAKING UP THEIR MINDS OR HAD NO COMMENT. THREE -- DOW CHEMICAL CORPORATION, HEWLETT-PACKARD AND THE CATERPILLAR TRACTOR COMPANY --OPPOSED THE PROTEST.

5. "HEWLETT-PACKARD SAID IT FELT THAT OFFICIALS IN WASHINGTON 'ARE THOROUGHLY FAMILIAR WITH THE SITUATION AND ARE ADEQUATELY CONCERNED FOR THE SAFETY OF OUR CITIZENS IN THE SOVIET UNION. BECAUSE OF THIS WE FEEL THERE'S NO NEED TO GET DIRECTLY INVOLVED.' CATERPILLAR CHAIRMAN L. L. MORGAN SAID HE PREFERRED TO LEAVE THE PROBLEM TO THE US GOVERNMENT.

6. "DOW CHEMICAL, FRESH FROM SIGNING A 10-YEAR 'TECHNICAL COOPERATION AGREEMENT' WITH RUSSIA, GAVE THE STRONGEST REJECTION. A SPOKESMAN TOLD AP REPORTER STEVE WEINER THAT HIS COMPANY PERCEIVED NO SUCH PRESSURE ON ITS OWN EMPLOYEES NOR DID IT ANTICIPATE ANY. ' WE HAVE A SET OF INTERNATIONAL-  
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AL LAW PRINCIPLES UNDER WHICH WE OPERATE,' THE SPOKESMAN SAID. 'WE ABIDE BY THE LAWS OF THE HOST COUNTRY.'

7. "THE AMERICANS IN MOSCOW MIGHT GIVE A SARDONIC LAUGH AT THIS FAITH IN SOVIET LEGALITY. MR. CRAWFORD IS WIDELY BELIEVED TO BE INNOCENT OF THE VAGUE CHARGES OF CURRENCY VIOLATIONS, AND HIS CASE IS SEEN AS THE RUSSIAN RESPONSE TO THE AMERICAN ARREST OF TWO SOVIET SPIES IN NEW JERSEY. THE BUSINESSMEN IN MOSCOW KNOW THAT THE PERSONAL SAFETY OF ALL OF THEM IS ON THE LINE. AS ONE OBSERVER TOLD JOURNAL CORRESPONDENT ERIC MORGENTHAUER, 'WE HAVE BROKEN THE LITTLE THREAD OF TRUST THAT PREVAILED.' AND WE HEAR OF GREAT BITTERNESS TOWARD THEIR HOME OFFICES. SAID ONE OF THE INITIAL HANDLING OF THE CRAWFORD CASE,' WE KNOW NOW JUST WHAT KIND OF SUPPORT WE CAN EXPECT NEXT TIME. NONE.'

8. "THESE ARE THE NEW RISKS OF THE SOVIET TRADE. WHAT ABOUT THE REWARDS? AS OUR MR. MORGENTHAUER REPORTED, WITH A FEW EXCEPTIONS IN PETROLEUM, BUSINESS HAS BEEN BAD. THE SOVIET TRADE BUREAUCRACY HAS BEEN QUITE SUCCESSFUL AT KEEPING AMERICAN PROFIT MARGINS LOW OR NONEXISTENT ON OUR SALES, AND THEY JUST DON'T HAVE MUCH THAT WE WANT TO BUY.

OUR INTERPRETATION OF THE CRAWFORD INCIDENT, IN FACT IS

THAT AS CIVILIZED TRADE IS SLOWING DOWN, THE SOVIETS ARE  
TURNING TO RANSOM.

9. "AMERICAN CORPORATIONS WILL HAVE TO DECIDE FOR THEM-  
SELVES HOW MUCH OF THE AGGRAVATION THEY CAN AFFORD TO TAKE.  
ONE WOULD HOPE THEY COULD COOPERATE WITH EACH OTHER  
SUFFICIENTLY TO FORCE MINIMUM STANDARDS OF, WELL, BUSINESS-  
LIKE CONDUCT ON THEIR SOVIET COUNTERPARTS. BUT SUCH A  
COMMONSENSE APPROACH DOESN'T SEEM TO BE IN THE OFFING.  
IF THE SOVIETS FIND THEY CAN GET AWAY WITH THE CRAWFORD  
INCIDENT, SUCH PRESSURES MAY WELL AFFECT MORE PEOPLE AND  
MORE COMPANIES. AND AMERICAN BUSINESSES WILL HAVE TO DO  
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A LOT OF HARD THINKING ABOUT WHETHER IT IS IN THEIR  
LONG-TERM INTERESTS TO DEAL WITH SUCH A SYSTEM, AND WHAT  
KIND OF RISKS THEY CAN IN GOOD CONSCIENCE ASK THEIR  
PERSONNEL TO RUN." NEWSOM

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